

WILLIAM D. FORD FEDERAL DIRECT LOAN INSTRUCTIONS (NEW BORROWERS)

All **new** Direct Loan borrowers are required to complete **Entrance Counseling** and sign a **Master Promissory Note (MPN)** in order to receive loan funding. The entrance counseling session provides information about your Direct Loan. The MPN is a legal document between you (the borrower) and the U.S. Department of Education (the lender) in which you agree to repay your loan(s) and any accrued interest and fees. It also explains the terms and conditions of your loan.

Direct Loans cannot be certified until the Financial Aid Office receives the results of your **2023-2024 FAFSA (Free Application for Federal Student Aid)**, collected any required documents and determined your information to be correct. If you have not already done so, complete and submit a **2023-2024 FAFSA** at <https://studentaid.gov/h/apply-for-aid/fafsa>.

Step 1: Complete Direct Loan entrance counseling at <https://studentaid.gov/entrance-counseling/>:

- Next to your academic career level (Undergraduate or Graduate) log in using your FSA ID username, verified email address or mobile number and enter your FSA ID password. If you do not have an FSA ID, you will be able to create one.

Step 2: Sign your Master Promissory Note (MPN) electronically at <https://studentaid.gov/mpn/>:

- Next to your academic career level (Undergraduate or Graduate) log in using your FSA ID username, verified email address or mobile number and enter your FSA ID password.
- Select **Subsidized/Unsubsidized** for the MPN type. (It is recommended that **graduate** students exhaust their eligibility for an unsubsidized loan before applying for a Graduate PLUS Loan at www.studentaid.gov.) student.

Step 3: Complete the Summer 2023/Fall 2023/Spring 2024 Direct Loan Processing Form:

- Log in to CUNYfirst at https://home.cunyfirst.cuny.edu/oam/Portal_Login1.html.
- Select the **'Student Center'** from the drop down.
- Select the **'Financial Aid,'** tile
- Select **'Direct Loan Processing Form'**. (**You need to read and accept the disclaimer before you can access the loan form.**)
- Enter **JJC01** for the Institution and **2024** for the Aid Year.
- Complete the form for all terms in the award year (Summer 2023, Fall 2023, Spring 2024) that you intend to be registered for at least 6 credits and need a Direct Loan.

Note: Thoroughly review your request for accuracy. You cannot adjust the form once it is submitted.

Graduate students will be offered a Direct Unsubsidized Loan for Fall 2023 & Spring 2024 after submitting the 2023-2024 FAFSA which you can reduce, if needed, and accept from Student Center on CUNYfirst. Summer loan requests must be submitted using the direct loan processing form.

For additional information regarding federal student loans see page 2.

Basic Eligibility Criteria for a Direct Loan

Some of the basic eligibility requirements are that you must:

- be a U.S. citizen or an eligible non-citizen;
- be enrolled or accepted for enrollment in a degree program;
- be registered for at least six credits for the semester(s) of the loan;
- not be in default on a federal student loan;
- maintain satisfactory academic progress in college (<http://www.jjay.cuny.edu/satisfactory-academic-progress-federal-title-iv-financial-aid-programs>).

Direct Subsidized Loans

Direct Subsidized loans are need-based loans available to undergraduate students. The U.S. Department of Education pays the interest while you are enrolled at least half-time and during grace and deferment periods.

Direct Unsubsidized Loans

Direct Unsubsidized loans are not need-based and are available to both undergraduate and graduate students. The borrower is responsible for paying the interest on the loan from the date the loan is disbursed. Any interest that is not paid will be capitalized.

Annual Direct Loan Limits

	Dependent Students	Independent Students
0-29 Units Completed	\$5,500 (Maximum Subsidized = \$3,500)	\$9,500 (Maximum Subsidized = \$3,500)
30-59 Units Completed	\$6,500 (Maximum Subsidized = \$4,500)	\$10,500 (Maximum Subsidized = \$4,500)
60+ Units Completed	\$7,500 (Maximum Subsidized = \$5,500)	\$12,500 (Maximum Subsidized = \$5,500)
Graduate Students		\$20,500 (Unsubsidized only)

Note: All undergraduate annual loan amounts are subject to proration.

Loan Fee

An origination fee is deducted from each loan disbursement. For loans with a first disbursement date on or after 10/1/2020 and before 10/1/2023, the fees are listed below. Further information about loan fees is available at <https://studentaid.gov/understand-aid/types/loans/interest-rates#fees>.

Direct Subsidized and Unsubsidized Loans	Direct PLUS Loans
1.057% Loan Fee	4.228% Loan Fee

Interest Rates

The interest rates for Direct Subsidized Loans, Direct Unsubsidized Loans and Direct PLUS Loans first disbursed on or after July 1, 2023 and before July 1, 2024 are listed below. Further information regarding interest rates can be found at <https://studentaid.gov/understand-aid/types/loans/interest-rates>.

Undergraduate Student	Graduate or Professional Student	Parent Borrower and Graduate or Professional Student
5.49% Fixed	7.05% Fixed	8.05% Fixed
Direct Subsidized and Unsubsidized Loans	Direct Unsubsidized Loans	Direct PLUS Loans

Increase, Decrease or Cancel a Direct Loan

Contact the Financial Aid Office, Direct Loan Department, for further instructions at directloans@jjay.cuny.edu.

Loan Repayment

Repayment of your loan begins 6 months after you graduate, leave school, or drop below half-time enrollment. If you are temporarily unable to make payments, you may be able to avoid default by contacting your Direct Loan servicer to find out if you are eligible for a deferment or forbearance. **You are required to complete exit counseling at www.studentaid.gov when you graduate, leave school, or drop below half-time enrollment.** Additional information regarding repayment can be found at <https://studentaid.gov/h/manage-loans>.